



# House of Representatives

General Assembly

**File No. 216**

February Session, 2014

Substitute House Bill No. 5429

*House of Representatives, March 31, 2014*

The Committee on General Law reported through REP. BARAM of the 15th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT ESTABLISHING A CRAFT ALCOHOLIC LIQUOR DISTILLER PERMIT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 30-16 of the 2014 supplement to the general  
2 statutes is amended by adding subsection (h) as follows (*Effective from*  
3 *passage*):

4 (NEW) (h) A craft alcoholic liquor distiller permit shall allow the  
5 manufacture, storage, bottling, wholesale distribution and sale and  
6 sale at retail to consumers, from the licensed premises, of alcoholic  
7 liquor distilled by a permittee at its permitted premises; but no such  
8 permit shall be granted unless the place or the plan of the place of  
9 manufacture has received the approval of the Department of  
10 Consumer Protection. Subject to the provisions of this subsection, such  
11 permit shall also authorize the offering and tasting, on the premises of  
12 the permittee, of samples of spirits distilled on the premises, either  
13 with or without a charge. Tasting samples shall not exceed two ounces  
14 per patron per day. No tastings shall be offered to or allowed to be

15 consumed by any minor or intoxicated person. A craft alcoholic liquor  
16 distiller, alone or in combination with any parent or subsidiary  
17 business or related or affiliated party, shall distill not more than  
18 twenty-five thousand gallons per annum. A holder of a craft alcoholic  
19 liquor distiller permit that distills more than twenty-five thousand  
20 gallons per annum shall obtain the appropriate permit under this title  
21 and comply with the relevant provisions of this title. No craft distiller  
22 permittee shall sell to any one consumer more than one and one-half  
23 liters of alcoholic liquor per day. A holder or backer of a craft alcoholic  
24 liquor distiller permit shall not be the holder or backer of any other  
25 manufacturer permit or an out-of-state shipper's permit. The annual  
26 fee for a craft alcoholic liquor distiller permit shall be one thousand  
27 dollars.

28 Sec. 2. Subsection (d) of section 30-91 of the general statutes is  
29 repealed and the following is substituted in lieu thereof (*Effective from*  
30 *passage*):

31 (d) The sale or dispensing of alcoholic liquor in places operating  
32 under package store permits, drug store permits, craft alcoholic liquor  
33 distiller permits, manufacturer permits for beer, manufacturer permits  
34 for beer and brew pubs or grocery store beer permits shall be unlawful  
35 on Thanksgiving Day, New Year's Day or Christmas; and such sale or  
36 dispensing of alcoholic liquor in places operating under package store  
37 permits, drug store permits, manufacturer permits for beer,  
38 manufacturer permits for beer and brew pubs and grocery store beer  
39 permits shall be unlawful on Sunday before ten o'clock a.m. and after  
40 five o'clock p.m. and on any other day before eight o'clock a.m. and  
41 after nine o'clock p.m. It shall be unlawful for the holder of a  
42 manufacturer permit for a brew pub to sell beer for consumption off  
43 the premises on the days or hours prohibited by this subsection. Any  
44 town may, by a vote of a town meeting or by ordinance, reduce the  
45 number of hours during which such sale shall be permissible.

This act shall take effect as follows and shall amend the following sections:
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Section 1	<i>from passage</i>	30-16
Sec. 2	<i>from passage</i>	30-91(d)

**GL**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note****State Impact:**

Agency Affected	Fund-Effect	FY 14 \$	FY 15 \$
Department of Revenue Services	GF - Revenue Gain	Up to 3,750	Up to 15,000
Consumer Protection, Dept.	GF - Revenue Gain	3,000	3,000

**Municipal Impact:** None

**Explanation**

The bill results in a revenue gain of up to \$6,750 in FY 14 and \$18,000 in FY 15 by creating a new \$1,000 craft alcoholic liquor distiller permit and allowing for limited sales of products for off premises consumption.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of permits.

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**OLR Bill Analysis****sHB 5429*****AN ACT ESTABLISHING A CRAFT ALCOHOLIC LIQUOR DISTILLER PERMIT.*****SUMMARY:**

This bill creates a craft alcoholic liquor distiller permit. The permit allows retail alcoholic liquor sales in limited amounts, from the permitted premises, to consumers for off-premises consumption. Such retail sales are prohibited under a manufacturer permit. It also allows a permittee to manufacture, bottle, store, distribute, and sell at wholesale, alcoholic liquor distilled on its permitted premises. The annual permit fee is \$1,000. The Department of Consumer Protection must approve the distiller's manufacturing place or its plan before granting a permit.

To qualify for a permit, a distiller, in combination with any parent or subsidiary business or related or affiliated company, must not distill more than 25,000 gallons per year. Those that annually distill more must obtain the manufacturer permit (CGS § 30-16).

Craft alcoholic liquor permittees are prohibited from selling, at retail for off-premises consumption (1) more than 1.5 liters of alcoholic liquor to any one consumer each day and (2) on Thanksgiving, New Year's Day, or Christmas. Like other manufacturers that sell a limited amount of their product at retail (e.g., farm wineries and brew pubs) for off-premises consumption, the craft distiller is not subject to the minimum pricing laws.

Under the bill, the permit also authorizes the on-premises offering and tasting of paid or free samples of spirits distilled on the premises. The tastings must not (1) exceed two ounces per patron per day or (2)

be offered to, or allowed to be consumed by, an intoxicated person or anyone under age 21.

The bill specifically prohibits a craft alcoholic liquor distiller permittee or backer from also holding or backing a manufacturer permit or out-of-state shipper's permit.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea    14    Nay   3    (03/13/2014)